Minnesota Housing Finance Agency

ASSIGNMENT OF CONSTRUCTION CONTRACT

This Assignment is entered into as of the _____ day of _____, 20____, between _____, a _____ ("Borrower"), and the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota ("MHFA").

RECITALS

(TO BE USED WITH NOTE AND MORTGAGE)

A.	*Borrower and MHFA have entered into a Minnesota Housing Finance Agency Building Loan Agreement, of even date herewith (the "Building Loan Agreement"), under which MHFA has agreed to make advances to Borrower not exceeding the principal amount of $_____(the "Loan") in accordance with the terms thereof to finance construction of certain improvements as shown in the drawings and specifications prepared by _____ as set forth in* **Exhibit A** *hereto (the "Project"), to be constructed on real estate located in _____ County, Minnesota. The Loan will be evidenced by a Minnesota Housing Finance Agency _____ Program Mortgage Note and a Minnesota Housing Finance Agency _____ Program Mortgage Note, both of even date herewith, payable to the order of MHFA in the total original principal amount of $_____ (collectively, the "Note").*

B.	*To secure payment of the Note, Borrower has executed and delivered to MHFA a Minnesota Housing Finance Agency _____ Program Assignment of Rents and Leases and a Minnesota Housing Finance Agency _____ Program Assignments of Rents and Leases, both of even date herewith, covering the rents and leases affecting the Project ,and a Minnesota Housing Finance Agency _____ Program Combination Mortgage, Security Agreement, and Fixture Financing Statement and a Minnesota Housing Finance Agency _____ Program Combination Mortgage, Security Agreement, and Fixture Financing Statement, both of even date herewith, covering certain property, which, among other things, includes the real estate upon which the Project is to be constructed (the "Real Estate") and the buildings, improvements, fixtures and personal property now or hereafter located thereon.*

OR

(TO BE USED WITH REPAYMENT AGREEMENT)

*A.   Borrower and MHFA have entered into a Minnesota Housing Finance Agency Building Loan Agreement, of even date herewith (the "Building Loan Agreement"), under which MHFA has agreed to make advances to Borrower not exceeding the principal amount of $_____ (the "Loan") in accordance with the terms thereof to finance construction of certain improvements as shown in the drawings and specifications prepared by _____ as set forth in **Exhibit A** hereto (the "Project"), to be constructed on real estate located in _____ County, Minnesota. The Loan will be evidenced by a Minnesota Housing Finance Agency _____ Program Loan Repayment Agreement and Mortgage, of even date herewith, between Borrower and MHFA (the "Repayment Agreement")*

B.   To secure payment of the Loan, Borrower has executed and delivered to MHFA, in the Repayment Agreement, a mortgage covering certain property, which, among other things, includes the real estate upon which the Project is to be constructed (the "Real Estate") and the buildings, improvements, fixtures and personal property now or hereafter located thereon.

C.   MHFA has required, as a condition to making any Advances under the Building Loan Agreement, the execution hereof by Borrower and the acknowledgment and consent hereto by the Contractor.

ACCORDINGLY, in consideration of the foregoing, Borrower grants, assigns, transfers and sets over unto MHFA all of its right, title and interest in and to the construction contract, together with all addenda thereto (the "Contract"), dated _____, between Borrower, as the Owner, and _____ (the "Contractor") for construction of the Project, true and correct copies of which have been delivered to MHFA this date. The drawing and specifications set forth in **Exhibit A**, together with the Contract, constitute the "Contract Documents".

1.   Borrower agrees that MHFA does not assume any of the obligations or duties of Borrower under or with respect to the Contract unless and until MHFA shall have given the Contractor written notice that it has affirmatively exercised its right to complete or cause the completion of construction of the Project following the occurrence of an Event of Default under the Building Loan Agreement. If MHFA does not personally undertake to complete construction, MHFA shall have no liability whatsoever for the performance of any of such obligations and duties. For the purpose of completing the Project, MHFA may, in its absolute discretion, reassign its right, title and interest in the Contract upon notice to the Contractor but without any requirement for Borrower's consent.

2.   Borrower represents and warrants that there have been no prior assignments of the Contract, that the Contract is a valid, enforceable agreement, that none of the parties is in default thereunder, and that all covenants, conditions and agreements have been performed as required therein except those not due to be performed until after the date hereof. Borrower agrees that no

change in the terms thereof shall be valid without the written approval of MHFA. Borrower agrees not to assign, sell, pledge, mortgage or otherwise transfer or encumber its interest in the Contract so long as this Assignment is in effect.

3.   Borrower hereby irrevocably constitutes and appoints MHFA as its attorney-in-fact to demand, receive, and enforce Borrower's rights with respect to the Contract, to make payments under the Contract and give appropriate receipts, releases and satisfactions for and on behalf of and in the name of Borrower or, at the option of MHFA, in the name of MHFA, with the same force and effect as Borrower could do if this Assignment had not been made.

4.   This Assignment shall constitute a perfected, absolute and present assignment, provided that MHFA shall have no right under this Assignment to enforce the provisions of the Contract until an Event of Default shall occur under the Building Loan Agreement or Borrower shall be in default under the **[Note/Repayment Agreement]** or under any other instrument, document or agreement related to the Project. This Assignment shall remain in effect until all rights of the Owner under the Contact, including any warranties, have expired. Upon the occurrence of any such default or Event of Default, MHFA may, without affecting any of its rights or remedies against Borrower under any other instrument, document or agreement, exercise its rights under this Assignment as Borrower's attorney-in-fact in any manner permitted by law, and in addition, MHFA shall have the right to exercise and enforce any or all rights and remedies available after default to a secured party under the Uniform Commercial Code, as adopted in the State of Minnesota. If notice to Borrower of any intended disposition of the collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given at least 10 days prior to the date of intended disposition or other action.

5.   Borrower agrees to pay all costs and expenses (including, without limitation, reasonable attorney's fees) that MHFA may incur in exercising any of its rights under this Assignment.

6.   Subject to the aforesaid limitation on further assignment by Borrower, this Assignment shall be binding upon Borrower, its heirs, representatives, assigns and successors, and shall inure to the benefit of MHFA, its successors and assigns.

7.   This Assignment can be waived, modified, amended, terminated or discharged only explicitly in a writing signed by MHFA. A waiver signed by MHFA shall be effective only in a specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of MHFA's rights or remedies hereunder. All rights and remedies of MHFA shall be cumulative and may be exercised singularly or concurrently, at MHFA's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

IN WITNESS WHEREOF, Borrower has executed this Assignment as of the day and year first above written.

_____

a _____

By: _____

    a _____

General Partner

    By:_____

    Its:_____

CONTRACTOR'S ACKNOWLEDGMENT AND CONSENT

In consideration of MHFA's making the construction loan to Borrower described in the foregoing Assignment, the undersigned Contractor hereby consents to the foregoing Assignment and acknowledges and agrees with MHFA as follows:

1.   The Contractor has entered into the Contract with Borrower whereby the Contractor has agreed to act as the general contractor in connection with construction of the Project.

2.   The Contract is in full force and effect, has not been modified or assigned, and no event has occurred or failed to occur as of the date hereof which, but for the passage of time, the giving of notice or both, would be a default thereunder.

3.   Upon the occurrence of an Event of Default under the Building Loan Agreement, the Contractor shall, at MHFA's request, continue performance on MHFA's behalf under the Contract in accordance with the terms thereof, provided that the Contractor shall be reimbursed in accordance with the Contract for all work, labor and materials rendered on MHFA's behalf.

4.   The disbursement provisions contained in the Building Loan Agreement and the Disbursement Agreement referred to in the Building Loan Agreement shall control the disbursement of loan funds to Borrower notwithstanding any conflicting provisions contained in the Contract.

5.   MHFA may enforce the obligations of the Contract with the same force and effect as if enforced by Borrower and may perform the obligations of Borrower, and the Contractor will accept such performance in lieu of performance by Borrower in satisfaction of Borrower's obligations thereunder.

6.   The Contractor will give MHFA prompt written notice of any default by Borrower under the Contract.

7.   The Contractor will not terminate the Contract on account of any default of Borrower thereunder without written notice of such default to MHFA and providing MHFA 30 days to cure the default or to commence completion of construction of the Project. If MHFA so elects to complete the Project, the Contractor agrees not to terminate the Contract so long as all monetary defaults of Borrower thereunder are cured by MHFA within a reasonable time. However, unless MHFA elects to enforce the Contract against the Contractor, nothing herein shall require MHFA to cure any default of Borrower under the Contract.

8.   The officer signing this consent on behalf of the Contractor hereby certifies that the undersigned has full authority under all state and local laws and regulations to perform all of its obligations under the Contract in accordance with the terms thereof and that the Contractor will comply with all applicable laws and regulations, local, state and federal, in performing such

obligations. Upon completion of the Project, the Contractor will certify to MHFA, and to any assignee of the loans made by MHFA under the Building Loan Agreement, that the Project has been completed in substantial accordance with the drawings and specifications set forth in **Exhibit A** and all applicable building codes.

Dated as of _____.

_____
a _____

By: _____

Its:_____

EXHIBIT A

DRAWINGS AND SPECIFICATIONS